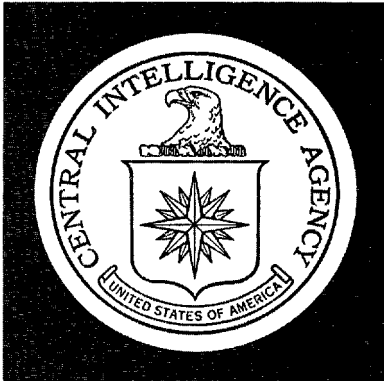


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18 December 1968

State Department review completed

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Approved For Release 2004/01/15 : CIA-RDP79T00975A012800010001-8

Approved For Release 2004/01/15 : CIA-RDP79T00975A012800010001-8

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No. 0342/68  
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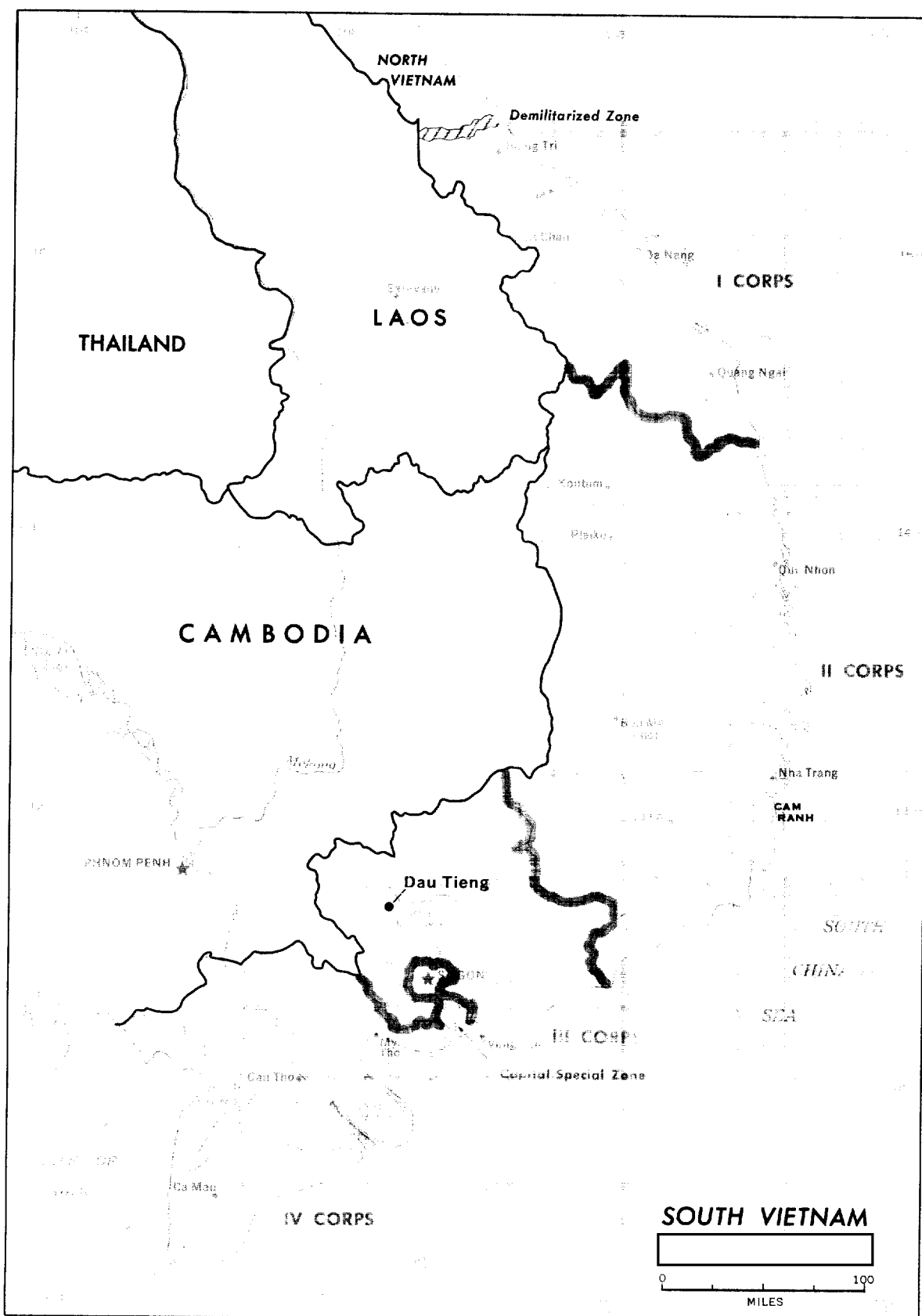
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[Vietnam: Except for several sharp engagements at allied initiative in the delta and an abortive Communist ambush northwest of Saigon, little military activity of significance was reported on 16-17 December.

In the delta actions, 124 Viet Cong troops were killed as the result of South Vietnamese Army sweep operations in Vinh Binh, Kien Giang, and Ba Xuyen provinces. Northwest of Saigon in Binh Duong Province, Communist forces lost 35 killed while attempting to ambush a supply convoy of the US 25th Infantry Division operating near Dau Tieng.

It is becoming increasingly clear that the enemy's timetable for major attacks in December, [redacted]

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[redacted] is slipping. This is probably due in large measure to the disruptive effects of expanded allied spoiling operations and B-52 strikes on the movement of Communist troops and supplies to forward staging areas. [redacted]

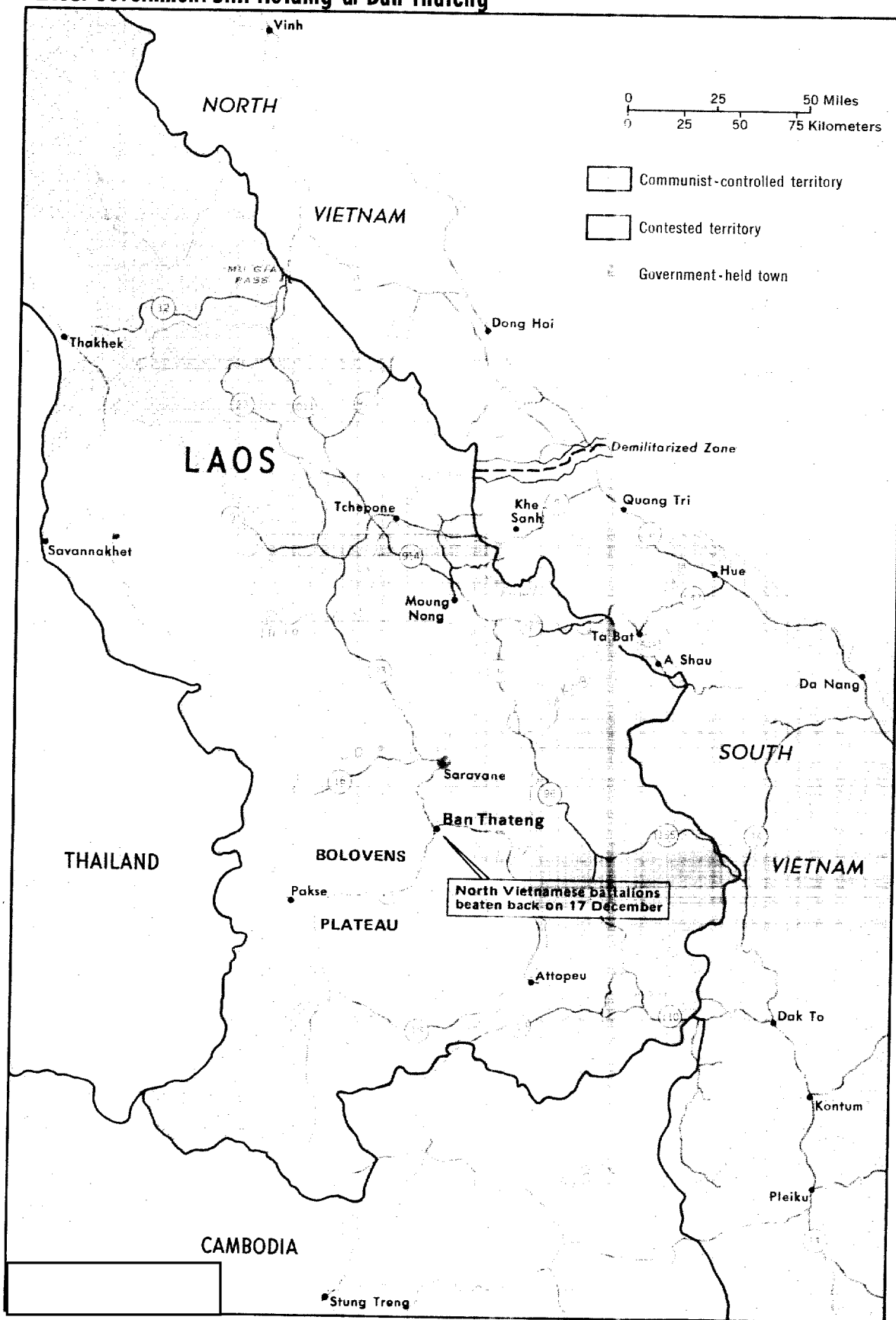
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**[ Laos:** The government is still holding its base outside Ban Thateng, despite a new round of enemy assaults.

North Vietnamese troops, possibly including two fresh battalions, hit the government stronghold south of the village again yesterday, but were unable to take any new ground. Around-the-clock air strikes once again played the main role in the defense of the base.

Aircraft have also, for the first time, struck enemy positions in Thateng village. With the loss of cover that the village was providing, the North Vietnamese may be forced either to make a last-ditch effort to take the stronghold or withdraw from the area.

Authorization for the air strikes against the village came from Prime Minister Souvanna Phouma and King Savang, who are apparently convinced that unless Thateng is defended the Bolovens Plateau will fall into Communist hands. Although their military judgments have been less than perfect in the past, it is clear that the psychological importance of Thateng to the government far outweighs the position's tactical significance. [REDACTED]

[REDACTED] (Map) ]

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Brazil: The church appears to be considering a direct challenge to the military.

The secretary general of the powerful bishops conference has encouraged liberal Archbishop Dom Helder Camara to speak out against the government even if this entails imprisonment. Helder Camara was highly critical of the government in a well-received speech on 15 December, and his future pronouncements will force the government to decide whether to detain him.

On 17 December troops and tanks entered the grounds of the University of Sao Paulo, ostensibly to identify the individuals residing there. The government announced that nonstudents would be arrested.

Labor and students, so far cowed by the government's moves, will be encouraged if the church decides to challenge the government. Given the military's violent reaction to criticism, any significant opposition is likely to provoke an even more repressive response.

The general political atmosphere meanwhile remains one of uncertainty. Press censorship has kept the public in the dark as to who has been arrested and why.

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France: Continuing student and labor unrest points up a lack of confidence in the Gaullist government.

Although the French economy is basically healthy, the government is having difficulty convincing Frenchmen of it. The financial crisis, coming after the upheavals of May and the setback to De Gaulle's detente effort by events in Czechoslovakia, has left many Frenchmen uneasy.

Student disorder at a number of universities has led to sporadic police patrols of campuses and to such measures as checks of identity cards. The militant National Union of French Students has called for a "day of action" later this week to protest the arrest of a student in connection with a series of recent bomb explosions. Both Prime Minister Couve de Murville's television address on Monday, warning that the government would not tolerate another student occupation of university buildings, and the strong show of police forces at the first sign of trouble were intended to make it clear that the government would deal harshly with rebels.

Workers remain hostile to the government's austerity measures, but labor leaders have called no new strikes since those early this month. Their restraint probably stems from the small prospects for success at this point, their uncertainty about the future, and their unwillingness to strike during the cold winter months. The real test for labor is likely to come in the early spring as workers begin to feel the pinch of rising prices and unemployment.

This general malaise could lead to another upheaval, but neither students nor workers appear to want a showdown with the government in the immediate future.

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Israel: A major effort to revise Israel's electoral system is apparently under way. The revision would be designed to reduce radically the number of political parties, thereby eventually eliminating the built-in need for coalition governments.

The current government of Israel is a "national unity coalition" of labor-oriented parties and rightist and religious parties formed just prior to the 1967 war. This "national unity coalition" will probably continue to govern for some time yet, if only because the Israelis want to present to their foes and allies an image of national solidarity.

Now, however, for the first time in Israel's 20 years of existence, a single political grouping has a majority in the 120-member Knesset. This majority resulted from the recent alignment of the Marxist socialist MAPAM party with the Israel Labor Party giving the new combination 63 votes. One of the first major acts of the new majority within the coalition may be to press for the long-standing goal of electoral reform.

The core of the labor alignment--the old Mapai party--has long sought to end the proportional representation system and the single national constituency in which the citizen votes for party lists rather than for individuals. This system has spawned a multiplicity of parties and has made coalition governments inevitable. A regional constituency system would be to the distinct advantage of the larger parties, and would sharply reduce the number of smaller parties.

The Jerusalem Post recently reported the existence of a Labor Party electoral reform committee, and that it was recommending a new system. Under this compromise arrangement, 90 of the Knesset deputies would be elected from 30 regional constituencies--three from each--and the remaining 30

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deputies would be elected on the old national constituency basis.

The new majority is essentially an unstable one. MAPAM entered the alignment with the encouragement of the Labor Party "old guard" establishment. Like the "old guard," the MAPAM leaders are at odds with the Rafi faction of the Labor Party headed by Minister of Defense Dayan, and MAPAM leaders made it clear that one reason they were joining was to strengthen anti-Dayan Laborites.

Dayan's territorial integrationist views are disapproved by both MAPAM and the "old guard," but he is extremely popular and Labor Party leaders find him difficult to control. Although the accession of MAPAM could be the final element which pushes Dayan and his Rafi followers out of the Labor alignment, Dayan recognizes that the quickest path to power requires the support of the Labor Party politicians who control the political machinery.

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Central America: Nicaragua is pursuing what may prove to be disruptive tactics in the Central American Common Market.

President Somoza is attempting to force his four Common Market partners to accelerate economic integration. Somoza, whose heavy-handedness precipitated a Central American presidential summit last summer, is apparently convinced that a crisis is necessary to get results.

The issue, then and now, is his dissatisfaction with the slow pace of integration. He views this delay as a curb on the expansion of Nicaraguan industry. A communiqué issued after his meeting with Costa Rican President Trejos on 13 December stated that if the integration process is not speeded up, a "total restructuring" of the market will be necessary. To bring further pressure on the other members, Somoza reportedly will soon seek congressional approval for authority to withdraw from the market.

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Costa Rica: The 1970 presidential election campaign has in effect begun with ex-president Jose Figueres' victory in a hard-fought contest for the nomination of the largest political party.

The National Liberation Party, founded by Figueres, has been plagued with dissension since its narrow loss to the National Unification coalition in 1966. Figueres' two-to-one victory over his only rival for the nomination was not large enough to ensure a reunification of his party, and he issued a bitter victory statement that held out little hope for reconciliation.

The opposition to Figueres comes from a younger, aggressively liberal element that sees him as a representative of an earlier generation who has become increasingly conservative. This group has indicated that it plans to pursue its objectives at the yet-unscheduled party ideological congress. Drawing up the platform, therefore, may be the stage for the next phase of the internal struggle.

The governing parties will reportedly discuss the renewal of their coalition next month. With Figueres as standard bearer for the opposition, a likely government candidate is a long-time political opponent, conservative ex-president Mario Echandi.

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Guyana: Partial returns from the elections on 16 December show Prime Minister Burnham winning a clear majority that will enable him to avoid another coalition government. His biggest gains appear to have been made at the expense of the United Force, his former coalition partner, which is expected to retain no more than three or four of the seven seats won in 1964. Burnham also appears to have won some votes among the East Indians, who in the past have almost unanimously supported pro-Communist Cheddi Jagan. The opposition will almost certainly claim that the vote was rigged, but their charges are not likely to have any real effect as the public turns to the traditional holiday revelries.

\* \* \* \*

Tanzania - Communist China: Twenty-four Chinese irrigation engineers and farming technicians arrived in Dar es Salaam on 14 December to inaugurate another program of Chinese aid for Tanzania's agrarian revolution. These experts will conduct a preliminary survey for an extensive scheme which the Tanzanians hope will eventually include numerous small-scale water development projects as well as a commercially viable state farm in each of mainland Tanzania's 17 regions. This new aid is an outgrowth of President Nyerere's visit to Peking last June.

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Burma: The military government's current nationalization moves may be intended in part as a warning that there will be no retreat from General Ne Win's political and economic policies. Former civilian politicians had recently been encouraged that there would be some easing of government policies by their appointment to a government advisory committee.

The nationalization program had been dormant for several years until the take-over of movie theaters last week. On 17 December, the government announced the nationalization of 168 urban workshops and small factories, and it may soon appropriate urban rental housing and upcountry plants and workshops. The loss of efficiency following nationalization will probably reduce the revenue the government hopes to gain from the take-overs.

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